



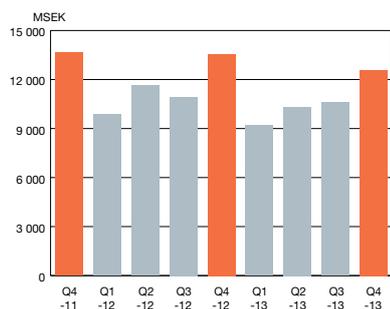
UJARDA 1
Solna

Year-end report January – December 2013

- Operative net sales amounted to SEK 42,733 million (45,997)
- Operative operating profit was SEK 593 million (1,004).
One-off costs of SEK -920 million charged operating profit during the year. Project write-downs totaled SEK -675 million in 2012
- Earnings per share amounted to SEK 1.01 (2.47)
- Orders received during the year amounted to SEK 34,292 million (38,743)
- Order backlog in Construction, Civil Engineering and Project Development amounted to SEK 28,164 million (28,056)
- Extensive action plan for greater profitability was implemented
- The Board proposes a dividend of SEK 1.80 (1.60) per share

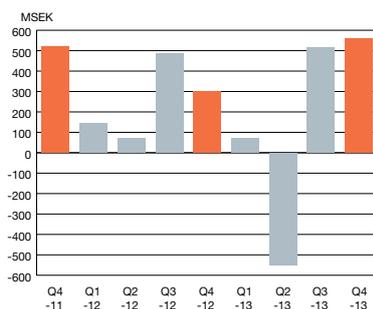
YEAR-END REPORT JANUARY - DECEMBER 2013

Operative net sales



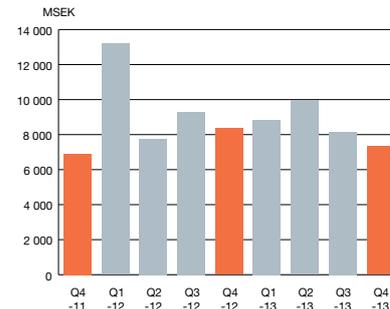
Group operative net sales for 2013 amounted to SEK 42,733 million (45,997), which was a decrease of 7 percent. Even after adjustments for acquired and divested units operative net sales decreased by 7 percent compared to last year.

Operative operating profit



Operative operating profit for 2013 amounted to SEK 593 million compared to SEK 1,004 million for last year. One-off costs including value adjustments of SEK -920 million charged the operating result during the year. Project write-downs of total SEK -675 million were made during 2012.

Orders received



Orders received for 2013 amounted to SEK 34,292 million compared to SEK 38,743 million for last year. The comparable period included the order for the Mall of Scandinavia for SEK 3,500 million. Order backlog amounted to SEK 28,164 million compared to SEK 28,056 million per 31 December 2012.

Group

MSEK	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2011	Financial objectives
Operative net sales ¹⁾	42,733	45,997	44,015	
Net sales	43,095	46,840	43,539	
Operative operating profit ¹⁾	593	1,004	1,483	
Operative operating margin, % ¹⁾	1.4	2.2	3.4	
Operating profit	614	1,057	1,505	
Operating margin, %	1.4	2.3	3.5	
Pre-tax profit	383	815	1,195	
Profit for the year	298	726	943	
Earnings per share before dilution, SEK	1.01	2.47	3.26	
Return on equity, %	3.8	9.2	12.1	> 20%
Equity/assets ratio, %	24.1	24.9	25.4	> 25%

¹⁾ Operative net sales and operative operating profit are reported according to percentage of completion method. Net sales and operating profit are reported according to legal accounting.

NEW CONTRACTS DURING THE FOURTH QUARTER

We received several major contracts during the fourth quarter, including:

- Renovation of the Swedish Transport Agency's offices in Örebro. The contract is worth SEK 140 million and comprises 17,000 square meters with a construction period of two years.
- Construction of a total of 325 new rental apartments in Uppland. Clients are Uppsalahem and Enköpings Hyrebostäder and the total contract amounts to SEK 405 million.
- Construction of a new school in Haninge. The client is Tornberget Fastighetsförvaltning AB and the contract amounts to SEK 198 million.
- Construction of a new department store for IKEA in Ringsaker about 100 kilometers north of Oslo. The customer is IKEA Fastigheter AB and the contract amounts to NOK 270 million.
- Construction of a meeting place for the IKEA Group in the Svågertorp area in Malmö. The customer is IKEA Fastigheter AB and the contract amounts to SEK 289 million.
- Reconstruction of interchange Spillepengen at Malmö's northern entrance and exit. The client is road department, City of Malmö and the contract amounts to SEK 179 million.
- Construction of a new factory and freezer warehouse in Bjuv with Findus as a tenant. The project is being built for Peab Property Development and it will be completed and ready for sale in May 2015. The project is included in orders received for business area Construction, but eliminated in consolidated reporting. The contract amounts to SEK 576 million.
- Construction of the interchange Marieholm which is part of the upcoming Marieholm connection in Gothenburg. The client is the Swedish Transport Agency and the contract amounts to SEK 333 million.

COMMENTS BY THE CEO

All in all 2013 ended positively with stability in daily operations and an improved demand for housing. Peab's new organization is in place and this report will be the first in which our business is presented according to Peab's new business area structure.

Market conditions

Building construction start-ups in Sweden in 2013 are expected to land around the same level as volumes in 2012. Strong growth in housing production in 2013, primarily in the second half of the year, together with the existing housing shortage in Sweden creates good conditions for further growth in 2014. A slight downturn is expected in building construction in Norway in 2014 due to an anticipated drop in housing investments. The building construction market in Finland shows signs of slower growth in 2014 due to the financial situation in the country. The conditions for civil engineering appear stable in all three countries. Stable conditions are anticipated in 2014 in all the segments and markets Peab is active in.

Orders received

The level of orders received in 2013 was SEK 34.3 billion compared to SEK 38.7 billion in 2012. Excluding the order amount for the Mall of Scandinavia in Arenastaden in Solna worth SEK 3.5 billion in 2012 the level of orders was relatively the same both years. Order backlog was SEK 28.2 billion, which is the same level as last year. All in all, the order backlog in the Group is considered stable with fewer major projects and a greater number of smaller and middle-sized projects compared to the previous year, which is right in line with our adopted strategy.

Action plan

We have implemented an extensive action plan in 2013 aimed at creating a cost-effective organization based on local entrepreneurship. We have carried out the action plan as planned and an estimated redundancy in excess of 100 white collar workers has now been identified. Some of these employees have already left the Group and the rest are working during their notice period.

Business areas' development

Net sales in many of the business areas have shrunk compared to 2012 after several years of growth. The production rate was high during 2012 while 2013 has been marked by the consolidation of operations.

Business area Construction lost 10 percent of its net sales. Cleared of one-off costs the margin in the underlying operations is the same as last year and the margin of 1.6 percent is considered stable but far too low.

Business area Civil Engineering reported a reduction of net sales by 12 percent. The production rate was high during 2012 with a number of major projects in production. The margin for the business area declined slightly to 3.3 percent (3.5). The low level of profitability in national and municipal road operations has been the primary reason for the negative development in the operating margin.

Business area Industry reported a 4 percent drop in net sales. The mild winter has entailed a relatively high level of activity in the final quarter of the year. The margin amounted to 6.6 percent compared to 7.3 percent for 2012. The reduction is mainly due to a drop in volumes.

Business area Project Development has had the same level of net sales as in 2012 but profits have been lower. Capital gains in Property Development were lower and the effect of negative result shares in associated companies was higher than in the previous year. The trend



of an increasingly strong housing market was reinforced towards the end of the year, which has led to higher rate of production starts in housing projects. Most of the higher demand is concentrated to the Stockholm market. There were 2,077 (1,679) start-ups of our own developed homes in 2013 and 2,034 (1,738) homes were sold.

Group development

Net sales during the period were SEK 43,095 million (46,840) which was a reduction of 8 percent compared to 2012. The reduction is due to the consolidation of Peab's business during the year. Operating profit amounted to SEK 614 million compared to SEK 1,057 million last year. Cleared of one-off items including value adjustments in business area Construction, operating profit amounted to SEK 1,534 million (1,732) and the operating margin was 3.6 percent (3.7). The positive cash flow has reduced net debt during the year by around SEK 500 million. The equity/asset ratio was 24.1 percent (24.9).

Prospects for the future and dividend proposal

The extensive action plan we have implemented brings us closer to our customers and the local market and at the same time streamlines our business. This combined with stable market conditions driven by a rise in housing production and a good level of orders received provides a good platform for improving profitability. The prospects for the future together with the Group's financial position have led the board to propose dividends of SEK 1.80 (1.60) per share to the Annual General Meeting for the fiscal year of 2013.

*Jesper Göransson
CEO and President*

EXTENSIVE ACTION PLAN FOR GREATER PROFITABILITY

Peab has carried out an extensive and important rationalization of its Nordic construction operations. The change means that the previously eight divisions and 30 regions have been replaced by 12 regions in Sweden, two in Norway and two in Finland. This has created a local organization with focus on customers, employees and production. To increase specialization and thereby improve cost-efficiency, housing production regions have been formed in Stockholm/Mälardalen, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide region primarily focused on the big city areas.

All housing developments have been placed under Project Development. The business area comprises all of Peab's development concerning housing and property, including the capital binding connected to project development.

Peab's construction system for housing production has up to now been run in Peab PGS and Skandinaviska Byggelement. These units are now coordinated under joint management in business area Industry.

The action plan has been implemented in order to create a cost-efficient organization. Redundancy in excess of 100 white collar workers has been identified and handled.

Annual savings are expected to amount to SEK 350 million starting in 2014. The savings will be achieved through a more cost-effective form of organization with lower personnel costs and through the effects of greater specialization and coordination of our concept for industrial construction.

During the second quarter of 2013 a total of SEK 920 million was reserved for the action plan. This includes the estimated cost of redundancies, value adjustments of project property, an updated assessment of the result of the Tele2 Arena project and a review of the final cost forecasts in another three projects soon to be completed.

As of this report Peab will report according to the new company structure with business areas Construction, Civil Engineering, Industry and Project Development.

NET SALES AND PROFIT ¹⁾

Group operative net sales for 2013 amounted to SEK 42,733 million (45,997), which was a decrease of 7 percent. Even after adjustments for acquired and divested units operative net sales decreased by 7 percent compared to last year. Adjustments in housing reporting affected net sales by SEK 362 million (843). Group net sales for 2013 decreased by 8 percent to SEK 43,095 million (46,840). Of the year's net sales, SEK 8,029 million (9,551) were attributable to sales and production outside Sweden.

Operative operating profit for 2013 amounted to SEK 593 million compared to SEK 1,004 million for last year. One-off costs including value adjustments of SEK -920 million have charged the operating profit for the year. Project adjustments of SEK -675 million were included in the same period last year. Adjustments in housing reporting affected operating profit by SEK 21 million (53). Operating profit in 2013 amounted

to SEK 614 million (1,057). Cleared of one-off costs the operating margin was 3.6 percent (3.7).

Depreciation for the year was SEK 798 million (848).

Net financial items amounted to SEK -231 million (-242), of which net interest expense amounted to SEK -276 million (-294).

Pre-tax profit was SEK 383 million (815).

Tax for the year was SEK -85 million (-89).

Profit for the year was SEK 298 million (726).

FINANCIAL POSITION

The equity/assets ratio on 31 December 2013 was 24.1 percent compared to 24.9 percent at the previous year-end. Interest-bearing net debt amounted to SEK 5,944 million compared to SEK 6,478 million at the end of 2012. Net debt is lower due to a positive cash flow. The average interest rate in the loan portfolio, including derivatives, was 3.4 percent (2.9) on 31 December 2013.

Group liquid funds, including unutilized credit facilities, were SEK 4,783 million at the end of the year compared to SEK 5,661 million on 31 December 2012. During the third quarter existing credit facilities shrunk by SEK 1,450 million when the refinancing of the Group's long-term credit facilities came into force in order to better suit Peab's future needs.

At the end of the year Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 5,057 million compared to SEK 4,457 million on 31 December 2012. Of contingent liabilities, obligations to tenant-owners associations under construction were SEK 3,083 million compared to SEK 2,623 million at the previous year-end.

INVESTMENTS

Investments in tangible and intangible fixed assets during the year were SEK 255 million (925). Investments in project and development properties totaled SEK 220 million (822) during the year.

CASH FLOW

Cash flow from current operations was SEK -187 million (503). The acquisition and investments of project and development property for SEK -1,336 million (-989).

Cash flow from investment activities was SEK 789 million compared to SEK 471 million last year. The rate of investments is lower than in previous years which, together with divestitures, contributed to a positive cash flow from investment operations.

Cash flow before financing amounted to SEK 602 million compared to SEK 974 million last year.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received in 2013 amounted to SEK 34,292 million compared to SEK 38,743 million last year. The Mall of Scandinavia was included in the comparable period for SEK 3,500 million. Orders received during the year consist of several medium-sized and smaller projects

¹⁾ Peab applies IFRIC 15, Agreements for the Construction of Real Estate, in the reporting. IAS 18, Revenue, is applied on Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects are recognised first when the home is handed over to the buyer. Segment reporting is based on the percentage of completion method for all our projects since this mirrors how executive management and the Board monitor the business. There is a bridge in segment reporting between operative reporting according to the percentage of completion method and legal reporting. Operative net sales and operative operating profit are reported according to the percentage of completion method. Net sales and operating profit are reporting according to legal accounting.

and fewer large projects compared to previous years.

Order backlog yet to be produced at the end of the year amounted to SEK 28,164 million compared to SEK 28,056 million at the end of the same period last year.

Of the total order backlog, 30 percent (30) is expected to be produced after 2014. Swedish operations accounted for 85 percent (87) of the order backlog.

No orders received or order backlog is given for the business area Industry.

Orders received and Order backlog

Orders received

MSEK	Jan-Dec 2013	Jan-Dec 2012
Construction	23,744	26,203
Civil Engineering	11,092	12,729
Project Development	5,115	3,274
Eliminations	-5,659	-3,463
Group	34,292	38,743

Order backlog

MSEK	31 Dec 2013	31 Dec 2012
Construction	19,647	19,045
Civil Engineering	8,483	8,610
Project Development	3,975	3,624
Eliminations	-3,941	-3,223
Group	28,164	28,056

PERSONNEL

At the end of the year, the company had 13,290 employees compared to 14,000 at the same time the previous year.

COMMENTS ON THE BUSINESS AREAS

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development.

Construction

Business area Construction comprises Group resources in construction related services. Construction builds for external customers and internally, primarily for business area Project Development. Operations are run through 12 regions in Sweden, two in Norway and two in Finland. Three of the Swedish regions are focused on housing production. These are in Stockholm/Mälardalen, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide region primarily focused on the big city areas. The other regions do all kinds of construction in their geographic areas.

Operative net sales in 2013 were SEK 23,109 million (25 777) which is a drop by 10 percent. Even adjusted for acquisitions and divestitures the reduction was 10 percent. The reduction is due to the consolidation of Peab's business during the year.

Operative operating profit for the year amounted to SEK -539 million (-266). One-off costs including value adjustments of SEK -920 million have charged the operating profit for the year. Project write-downs were included last year for an amount of SEK -675 million. Cleared of one-off costs the operative operating margin was 1.6 percent, which

was the same underlying margin as in 2012.

Civil Engineering

The business area Civil Engineering works in the market segments Local market, Infrastructure as well as Operations and maintenance. The operations are run in geographical regions in Sweden, Norway and Finland.

Net sales for 2013 amounted to SEK 11,172 million compared to SEK 12,643 million for last year, which is a drop of 12 percent. Even after adjustments for acquisitions the reduction was 12 percent.

Operating profit for the year amounted to SEK 371 million (440). The operating margin was 3.3 percent (3.5).

In comparison with last year Local market contracted in both net sales and profit. Net sales in Operations and maintenance have grown but profitability is not sufficient. Competition on the operations and maintenance market has increased resulting in a price press. Net sales in Infrastructure have contracted but profit has improved.

Industry

Business area Industry is run in seven product segments; Asphalt, Concrete, Gravel and Rock, Transportation and Machines, Foundations, Rentals and Industrial Construction. All of them work on the Nordic construction and civil engineering markets.

Net sales for 2013 amounted to SEK 10,347 million compared to SEK 10,723 million for last year, which was a decrease of 4 percent. After adjustments for divested units the decrease was 3 percent.

Operating profit for the year amounted to SEK 681 million (788). The operating margin was 6.6 percent (7.3). Lower construction and civil engineering volumes have affected the business area negatively. Segments Gravel and Rock and Transportation and Machines have also been affected by lower volumes in major infrastructure projects. Net sales in Asphalt were unchanged but profit improved.

Capital employed in Industry at year-end amounted to SEK 5,301 million compared to SEK 6,046 million last year.

Project Development

Business area Project Development comprises Peab's developments in housing and property. The business is run in two segments, Housing development and Property development.

Net sales in 2013 in business area Project Development amounted to SEK 5,721 million (5,682) and operating profit was SEK 247 million (306).

Housing development develops all kinds of housing such as apartment buildings in tenancy ownership, ownership and rental form as well as the production of single homes.

The conditions for housing development are relatively unchanged with a substantial housing shortage but loan ceilings, drawn out planning processes and municipal special demands create long lead times. The growing interest home buyers have been showing in our homes has led to a higher rate of production start-ups in housing projects. There were 2,077 (1,679) start-ups of our own developed homes. The number of sold homes during the year was 2,034 (1,738). The number of own developed homes in production at year-end was 3,654 compared to 3,134 at the previous year-end. The share of sold homes in production was 73 percent compared to 72 percent at the previous year-end. The number of repurchased homes per 31 December 2013 amounted to 141 compared to 191 at the previous year-end.

The demand for housing is affected by several factors such as demography, the economy, interest rates and access to home financing. All in all this points to long-term good demand for housing with different kinds of tenure and we notice continued good demand for apartment buildings with apartments for rent.

In 2013 operative net sales in Housing development were SEK 5,113 million (5,352) and operative operating profit was SEK 245 million (264). The operating margin was 4.8 percent (4.9).

Operations in Property development revolve around the acquisition, development and divestiture of commercial property in the Nordic region. The business includes projects in wholly owned and partly owned companies. Partly owned companies consist of, among other things, Peab's ownership in Tornet (ownership of apartments for rent), in Centur (ownership and development of commercial property) and in companies connected to the development of Arenastaden in Solna. Wholly owned subsidiaries and projects consists of a number of holdings that include everything from land for development where zoning is being worked out to completed projects ready for sale. Net sales and operating profit from operations is derived from running our wholly owned property, shares in the profit from partly owned companies and joint ventures as well as capital gains from the divestiture of completed property and shares in partly owned companies and joint ventures.

During 2013 net sales in Property development were SEK 608 million (330) and operating profit was SEK 2 million (42). Profit from property sales has had a positive effect on the result of SEK 63 million compared to SEK 76 million last year.

Operating profit is charged by negative shares in the results of property projects in partly owned companies in the development phase. Included in this result is Peab's share of the management result of Friends Arena. Friends Arena is an essential part of the realization of Arenastaden, a completely new city district in Solna. For Peab the development of Arenastaden means significant construction and civil engineering contracts, the creation of interesting development rights for, among other things, housing and opportunities for commercial property development. The projects in its entirety follows the plans established when Peab made the decision to participate in this development.

Capital employed in Property Development at year-end amounted to SEK 11,376 million compared to SEK 10,800 million last year.

THE CONSTRUCTION MARKET

The results of the third quarter 2013 showed a slight reduction in volumes for the entire year 2013 regarding total building construction in Sweden. The analysis company Industrifakta is expecting a positive turn in 2014, albeit weak. There will continue to be major differences in developments between sectors in the coming period. New construction of apartment buildings is the sector which has shown the

greatest growth during the year. Despite this increase in production the overall assessment is that there is room for further housing production due to the existing housing shortage, primarily in growth and university regions. Production of single homes has also developed well in 2013, although from a low level. Apartment building reconstruction continues to develop well, in part due to the increased interest in investing in housing projects built in the 60s, and this has fuelled the good development of the sector in 2013. This development is expected to persist in coming years. Public premise construction continued to slow in 2013 compared to 2012 and 2011. Despite the fact that 2014 is an election year, which normally has a positive effect on public premise construction, volumes are generally expected to remain the same during 2014. The future of private premise construction is uncertain. Greater stability and international demand are expected in 2014, which gives cause for a degree of optimism. The pattern and level of household consumption has become an increasingly important driving force in private premise construction. Industrifakta's forecast for civil engineering construction shows a slightly lower level in 2013 compared with 2012. Investment volumes for civil engineering in 2014 are expected to show some growth compared to last year. The energy sector is expected to be the prime locomotive for the sector during the year with major investments in the main lines (gas and district heating), wind power and nuclear power.

The Norwegian housing market is exhibiting signs of an unstable market in 2014. Private premise construction seems to have been very strong in 2013 and is expected to remain on a high level in 2014 although growth will slow considerably. New schools, caretaking facilities and hospitals provide good conditions for public building construction in 2014. The civil engineering forecast continues to look good in 2014 with substantial needs in communications and energy.

As the only Nordic EMU country, Finland's economy has gone through intensive trials and the coming years will be characterized by an austere financial policy but also a change for the better and some recovery. Housing construction is expected to have been slightly lower in 2013 compared to the previous year and this level is believed to stay the same in 2014. A weak domestic economy slows down private premise construction and several public premise construction projects have been postponed. The extensive infrastructure program aimed at stimulating civil engineering construction which was expected in 2013 has been put on ice, resulting in a unchanged forecast for the sector. All in all the Finnish building construction market is expected to have a weak development in 2014 despite some positive signals of recovery for both export and domestic consumption.

RISKS AND UNCERTAINTY FACTORS

Peab's business is largely project related. Operational risks in day-to-

Peab's own housing development construction

	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2011
Number of housing starts during the year	2,077	1,679	1,711
Number of homes sold during the year	2,034	1,738	1,531
Total number of homes under construction, at the end of the year	3,654	3,134	3,470
Share of sold homes under construction, at the end of the year	73%	72%	73%
Number of repurchased homes in the balance sheet, at the end of the year	141	191	183

day business are primarily connected to bids, percentage of completion and volume and price risks.

Structured risk assessment is crucial in the business to ensure that risks are identified, that tenders submitted are correctly priced and that the proper resources are available.

Peab applies the percentage of completion method in project reporting. The application of the percentage of completion method depends on reliable forecasting. Well developed monitoring and system support for monitoring and forecasting in each project are crucial to limiting risks of incorrect revenue recognition.

For Peab, price risks mainly refer to unforeseen price hikes for materials, subcontractors and wages. Risks vary according to the type of contract. The largest risk in fixed price contracts is a miscalculation in the tender. In addition, there is a risk that price hikes cut into profitability without being able to claim compensation from the customer.

The Group is exposed to financial risks such as changes in debt and interest rate levels.

For further information on risks and uncertainty factors, see the 2012 Annual Report.

NORTHLAND RESOURCES

Peab has carried out several major projects for Northland Resources that are connected to the iron ore mine outside Pajala. On 8 February 2013 Northland Resources applied for a company reorganization. As a part of a long-term financial solution for Northland, the company raised USD 335 million through the issue of bonds. A consortium consisting of Folksam, Metso, Norrskenet and Peab has invested USD 22 million each in Northland bonds. Outstanding debts to Peab will be converted into an interest-bearing supplier loan with semi-annual amortization from January 2016 until maturity, at the latest in July 2020.

On 14 November 2013 Northland announced a plan to strengthen its financial buffers by USD 150 million. The financing proposal for this plan will be presented at the latest in May 2014.

Peab's total risk exposure in the balance sheet currently amounts to SEK 260 million and consists of outstanding unprioritized receivables that are included in the refinancing plan (reclassified as long-term interest-bearing receivables) and bonds guaranteed by liens.

IMPORTANT EVENTS DURING THE YEAR

Jesper Göransson was appointed CEO and acting President of Peab on 25 March and on 20 August Jesper was appointed President and CEO of Peab. He succeeded Jan Johansson. Jesper has worked at Peab since 1996 and has long and solid experience in leading positions in the company, among them Deputy CEO, and he has been a member of Peab's executive management since 2006.

Tore Hallersbo, deputy CEO, decided to leave his post in Peab. Tore had been a member of executive management since 2009 and held various senior positions in business area Construction since 2011.

During the second quarter new areas of responsibility were created in executive management. Roger Linnér was appointed COO and BA Construction Manager. Roger has worked at Peab since 1996, most recently as BA Civil Engineering Manager. Karl-Gunnar Karlsson, BA Industry Manager was made BA Civil Engineering Manager as well. Karl-Gunnar has worked at Peab since 2003. All of them are already members of executive management.

Niclas Winkvist was made CFO of the Peab Group. This post also comprises responsibility for Business Support and Investments and also responsible for Peab's construction operations in Norway and Finland. Niclas has worked at Peab since 1995.

Peab has refinanced existing credit agreements totaling SEK 5,450 million maturing in May and September 2014, with a new credit facility of SEK 5,000 million maturing on 2 September 2016.

Peab has secured new funding through three issues of bonds totaling SEK 450 million during the MTN program, which was established in February 2012. The loan limit for the MTN program is SEK 3,000 million and bonds totaling SEK 1,450 million are outstanding after the above issues.

HOLDINGS OF OWN SHARES

At the beginning of 2013 Peab's own B share holding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. No changes have taken place during 2013.

THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Large Cap list. As of 31 December 2013, the price of the Peab share was SEK 39.35, an increase of 27 percent during 2013. During the same period, the Swedish stock market increased by 23 percent according to the general index in the business magazine "Affärsvärlden". During 2013, the Peab share has been quoted at a maximum of SEK 39.89 and a minimum of SEK 30.81.

Share capital and number of shares

	Share capital MSEK	Number of registered A shares	Number of registered B shares	Total number of registered shares	Holdings of own shares	Shares owned by other shareholders
Share capital and number of shares 1 January 2013	1,583.9	34,319,957	261,729,773	296,049,730	1,086,984	294,962,746
Share capital and number of shares 31 December 2013	1,583.9	34,319,957	261,729,773	296,049,730	1,086,984	294,962,746

Report on the Group income statement in summary

MSEK	Jan-Dec 2013	Jan-Dec 2012	Oct-Dec 2013	Oct-Dec 2012
Net sales	43,095	46,840	12,905	13,893
Production costs	-40,295	-43,539	-11,744	-12,949
Gross profit	2,800	3,301	1,161	944
Sales and administrative expenses	-2,305	-2,378	-663	-732
Profit from participation in joint ventures/associated companies	13	18	4	17
Other operating income	126	128	68	89
Other operating costs	-20	-12	-7	7
Operating profit	614	1,057	563	325
Net financial items	-231	-242	-88	-87
Pre-tax profit	383	815	475	238
Tax	-85	-89	-105	61
Profit for the period	298	726	370	299
Profit for the period, attributable to:				
Shareholders in parent company	298	730	370	300
Non-controlling interests	0	-4	0	-1
Profit for the period	298	726	370	299
Key ratios				
Earnings per share, SEK	1.01	2.47	1.25	1.02
- after dilution	1.01	2.47	1.25	1.02
Average number of outstanding shares, million	295.0	295.0	295.0	295.0
- after dilution	295.0	303.0	295.0	300.7
Return on capital employed, %	5.2	7.7		
Return on equity, %	3.8	9.2		

Report on the Group income statement and other comprehensive income in summary

MSEK	Jan-Dec 2013	Jan-Dec 2012	Oct-Dec 2013	Oct-Dec 2012
Profit for the period	298	726	370	299
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Translation differences for the period from translation of foreign operations	-139	-12	-1	34
Profit/loss from currency risk hedging in foreign operations	-	-2	-	-15
Changes for the period in fair value of available-for-sale financial assets	17	-87	2	-32
Changes in fair value of cash flow hedges for the period	69	34	-17	-17
Change in fair value of cashflow hedges carried over to profit for the period	-46	-17	-	-17
Share in associated companies' and joint ventures' other comprehensive income	0	-1	0	1
Tax referring to items that can be reclassified or have been reclassified to income for the period	-32	15	3	10
	-131	-70	-13	-36
Items that cannot be reclassified to income for the period				
Revaluation of defined benefit pension plans	0	10	0	10
Tax referring to items that cannot be reclassified to income for the period	0	-3	0	-3
	0	7	0	7
Other comprehensive income for the period	-131	-63	-13	-29
Total comprehensive income for the period	167	663	357	270
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	167	667	357	271
Non-controlling interests	0	-4	0	-1
Total comprehensive income for the period	167	663	357	270

Report on balance sheet for the Group in summary

MSEK	31 Dec 2013	31 Dec 2012
Assets		
Intangible assets	2,053	2,126
Tangible assets	3,973	4,443
Interest-bearing long-term receivables	1,744	1,157
Other financial fixed assets	1,948	1,829
Deferred tax recoverables	155	233
Total fixed assets	9,873	9,788
Project and development properties	6,685	6,239
Inventories	412	465
Work-in-progress	1,100	1,106
Interest-bearing current receivables	410	567
Other current receivables	12,935	13,471
Short-term holdings	21	10
Liquid funds	415	429
Total current assets	21,978	22,287
Total assets	31,851	32,075
Equity and liabilities		
Equity	7,668	7,979
Liabilities		
Interest-bearing long-term liabilities	5,064	6,787
Deferred tax liabilities	491	444
Other long-term liabilities	531	536
Total long-term liabilities	6,086	7,767
Interest-bearing current liabilities	3,470	1,854
Other current liabilities	14,627	14,475
Total current liabilities	18,097	16,329
Total liabilities	24,183	24,096
Total equity and liabilities	31,851	32,075
Key ratios		
Capital employed	16,202	16,620
Equity/assets ratio, %	24.1	24.9
Net debt	5,944	6,478
Equity per share, SEK	26.00	27.05
Number of outstanding shares at the end of the period, million	295.0	295.0

Report on changes in Group's equity in summary

MSEK	31 Dec 2013	31 Dec 2012
Equity attributable to shareholders in parent company		
Opening equity on 1 January	7,978	7,947
Effect of retrospective application according to new accounting principle	-	-14
Adjusted opening equity on 1 January	7,978	7,933
Profit for the period	298	730
Other comprehensive income for the period	-131	-63
Comprehensive income for the period	167	667
Cash dividend	-472	-620
Acquisition of non-controlling interests, controlling interests held already	-5	-2
Closing equity	7,668	7,978
Non-controlling interests		
Opening equity on 1 January	1	0
Comprehensive income for the period	0	-4
Acquisition of non-controlling interests, controlling interests held already	-1	-
New share issue	-	5
Closing equity	0	1
Total closing equity	7,668	7,979

Report on Group cash flow in summary

MSEK	Jan-Dec 2013	Jan-Dec 2012	Oct-Dec 2013	Oct-Dec 2012
Cash flow from current operations before changes in working capital	1,181	1,266	638	242
Cash flow from changes in working capital	-1,368	-763	-67	699
Cash flow from current operations	-187	503	571	941
Acquisition of subsidiaries	-125	-406	-104	-87
Disposal of subsidiaries	318	135	155	40
Acquisition of fixed assets	-1,213	-1,373	-169	-215
Sales of fixed assets	1,809	2,115	664	1,012
Cash flow from investment operations	789	471	546	750
Cash flow before financing	602	974	1,117	1,691
Cash flow from financing operations	-652	-1,493	-1,589	-1,528
Cash flow for the period	-50	-519	-472	163
Cash at the beginning of the period	439	970	859	314
Exchange rate differences in cash	47	-12	49	-38
Cash at the end of the period	436	439	436	439

PARENT COMPANY

The parent company Peab AB's net sales for 2013 amounted to SEK 105 million (96) and mainly consisted of internal Group services. Profit after tax amounted to SEK 229 million (-227).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 13,173 million (12,547) and shares in Lemminkäinen Oyj worth SEK 283 million (256).

The assets have been financed from equity of SEK 7,002 million (7,219) and long-term liabilities amounting to SEK 6,396 million (7,122).

The parent company's liquid funds amounted to SEK 8 million (3) at the end of the year.

The parent company is indirectly affected by the risks described in the section Risks and Uncertainty Factors.

Report on the parent company income statement in summary

MSEK	Jan-Dec 2013	Jan-Dec 2012	Oct-Dec 2013	Oct-Dec 2012
Net sales	105	96	41	24
Administrative expenses	-172	-150	-50	-30
Operating profit	-67	-54	-9	-6
Result from financial investments				
Profit from participation in Group companies	220	-294	-104	-347
Profit from participation in associated companies	-	27	-	22
Other financial items	-191	-112	-52	-46
Result after financial investments	-38	-433	-165	-377
Appropriations	267	206	267	206
Pre-tax profit	229	-227	102	-171
Tax	0	0	-55	-40
Profit for the period	229	-227	47	-211

Report on the parent company income statement and other comprehensive income in summary

MSEK	Jan-Dec 2013	Jan-Dec 2012	Oct-Dec 2013	Oct-Dec 2012
Profit for the period	229	-227	47	-211
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Changes for the period in fair value of available-for-sale financial assets	26	-99	10	-29
Total comprehensive income for the period	255	-326	57	-240

Report on balance sheet for the parent company in summary

MSEK	31 Dec 2013	31 Dec 2012
Assets		
Machinery and equipment	1	2
Participation in Group companies	13,173	12,547
Receivables from Group companies	–	1,586
Interest-bearing long-term receivables	194	105
Other securities held as fixed assets	289	277
Other long-term receivables	1	1
Total fixed assets	13,658	14,518
Receivables from Group companies	1,544	46
Other current receivables	2	2
Prepaid expenses and accrued income	5	5
Liquid funds	8	3
Total current assets	1,559	56
Total assets	15,217	14,574
Equity and liabilities		
Equity	7,002	7,219
Untaxed reserves	156	156
Liabilities to Group companies	6,396	7,122
Total long-term liabilities	6,396	7,122
Accounts payable	7	55
Liabilities to Group companies	1,595	2
Income tax liabilities	3	1
Other liabilities	3	3
Accrued expenses and deferred income	55	16
Total current liabilities	1,663	77
Total liabilities	8,059	7,199
Total equity and liabilities	15,217	14,574
Pledged assets and contingent liabilities for the parent company		
Pledged assets	–	–
Contingent liabilities	21,835	20,760

NOTE 1 ACCOUNTING PRINCIPLES

This quarterly report is presented according to the IFRS standards and interpretations of valid standards, IFRICs, that have been adopted by EU. This report is presented in accordance with IAS 34, Interim financial reporting.

The parent company's reports have been prepared according to the Swedish Company Accounts Act and RFR 2, Accounting rules for legal entities.

IAS 19 Employee Benefits has been amended so that it is no longer possible to spread out actuarial gains and losses over time. Instead actuarial gains and losses are recognized in other comprehensive income as they occur. The return on plan assets earnings are reported as the sum calculated on the discount rate used when calculating pension obligations. The difference between fair value and calculated returns of plan assets is recognized in other comprehensive income. The amendment is applied

for the fiscal year 2013 and retroactively. The amendment of IAS 19 affected consolidated equity on 1 January 2012 by SEK -14 million after consideration for deferred tax. The translation effect on Group profit 2012 amounted to SEK 1 million, and SEK 7 million on other comprehensive income. Equity at the end of 2012 was affected by SEK -6 million after consideration for deferred tax.

Group contributions are recognized in the parent company as appropriations according to the alternative rule in RFR 2. Last year Group contributions were presented as Results from shares in Group companies. Comparable numbers for 2012 have been adjusted.

This quarterly report has otherwise been presented according to the same accounting principles and prerequisites as described in the Annual Report of 2012.

NOTE 2 OPERATING SEGMENT

Group Jan-Dec 2013

MSEK	Con- struction	Civil Engine- ering	Industry	Project Develop- ment	Group functions	Elimina- tions	Total operative for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	20,346	9,770	6,534	5,484	31	568	42,733	362	43,095
Internal sales	2,763	1,402	3,813	237	388	-8,603	0		0
Total income	23,109	11,172	10,347	5,721	419	-8,035	42,733	362	43,095
Operating profit	-539	371	681	247	-153	-14	593	21	614
Operating margin, %	-2.3	3.3	6.6	4.3			1.4		1.4
Net financial items									-231
Pre-tax profit									383
Tax									-85
Profit for the year									298
Other comprehensive income for the year									-131
Total comprehensive income for the year									167
Capital employed (closing balance)			5,301	11,376					

Group Jan-Dec 2012

MSEK	Con- struction	Civil Engine- ering	Industry	Project Develop- ment	Group functions	Elimina- tions	Total operative for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	22,475	11,448	6,623	5,447	4		45,997	843	46,840
Internal sales	3,302	1,195	4,100	235	105	-8,937	0		0
Total income	25,777	12,643	10,723	5,682	109	-8,937	45,997	843	46,840
Operating profit	-266	440	788	306	-232	-32	1,004	53	1,057
Operating margin, %	-1.0	3.5	7.3	5.4			2.2		2.3
Net financial items									-242
Pre-tax profit									815
Tax									-89
Profit for the year									726
Other comprehensive income for the year									-63
Total comprehensive income for the year									663
Capital employed (closing balance)			6,046	10,800					

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

NOTE 3 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

Measurement of fair value is based on a three level hierarchy;

Level 1: prices that reflect quoted prices on an active market for identical assets.

Level 2: based on direct or indirect inputs observable to the market not included in level 1.

Level 3: based on inputs unobservable to the market.

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet.

Group					
31 Dec 2013		Level 1	Level 2	Level 3	Total
MSEK					
Assets					
Other securities held as fixed assets		283		53	336 ¹⁾
Prepaid expenses and accrued income			4		4 ²⁾
Total assets		283	4	53	340
Liabilities					
Other long-term liabilities			37		37 ³⁾
Accrued expenses and deferred income			1		1 ⁴⁾
Total liabilities		-	38	-	38

¹⁾ Are included in the balance sheet item Other financial assets totaling SEK 1,948 million.

²⁾ Are included in the balance sheet item Other current assets totaling SEK 12,935 million.

³⁾ Are included in the balance sheet item Other long-term liabilities totaling SEK 531 million.

⁴⁾ Are included in the balance sheet item Other current liabilities totaling SEK 14,627 million.

For a description of how fair value has been calculated see the Annual report 2012, note 36 page 71. The fair value of financial assets and liabilities is estimated to be, in principle, the same as their booked values.

PROPOSED DIVIDEND

A dividend of SEK 1.80 per share (1.60) is proposed for 2013. Excluding the 1,086,984 shares owned by Peab AB per 13 February 2014, which are not entitled to dividend, the proposed dividend is equivalent to a total dividend distribution of SEK 531 million (472). Calculated as a share of the Group's reported profit for the year, the proposed dividend amounts to 178 percent (65). The Board has taken into account the future prospects and financial position of the company in the proposed dividend and excluded costs for the action plan of SEK 700 million after tax that have charged the result for 2013. The proposed dividend is equivalent to a direct return of 4.3 percent based on the closing price on 12 February 2014.

ANNUAL GENERAL MEETING

The Annual General Meeting of Peab will be held on 13 May 2014 at Grevieparken in Grevie.

NOMINATING COMMITTEE

At the Annual General Meeting held on 14 May 2013, Göran Grosskopf, Magnus Swärdh, Malte Åkerström and Mats Rasmussen were appointed to the Peab nominating committee.

FUTURE FINANCIAL INFORMATION

- Annual report 2013 April 2014
- Quarterly report January-March 2014 and Annual General Meeting 13 May 2014
- Quarterly report January-June 2014 22 August 2014
- Quarterly report January-September 2014 13 November 2014
- Year-end report 2014 12 February 2015

Förslöv, 13 February 2014

*Jesper Göransson
CEO and President*

The information in this interim report has not been reviewed separately by the company's auditors.

Quarterly data Group

MSEK	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012
Net sales	12,905	10,514	10,369	9,307	13,893	11,379	11,670	9,898
Production costs	-11,744	-9,627	-10,288	-8,636	-12,949	-10,357	-11,042	-9,191
Gross profit	1,161	887	81	671	944	1,022	628	707
Sales and administrative expenses	-663	-424	-643	-575	-732	-485	-594	-567
Profit from participation in joint ventures/associated companies	4	8	10	-9	17	-8	19	-10
Other operating income	68	22	12	24	89	-5	25	19
Other operating costs	-7	-6	-5	-2	7	-18	0	-1
Operating profit	563	487	-545	109	325	506	78	148
Net financial items	-88	-58	-59	-26	-87	-65	-45	-45
Pre-tax profit	475	429	-604	83	238	441	33	103
Tax	-105	-90	127	-17	61	-116	-8	-26
Profit for the period	370	339	-477	66	299	325	25	77
Profit for the period, attributable to:								
Shareholders in parent company	370	339	-477	66	300	325	26	79
Non-controlling interests	0	0	0	0	-1	0	-1	-2
Profit for the period	370	339	-477	66	299	325	25	77
Key ratios								
Earnings per share, SEK	1.25	1.15	-1.62	0.22	1.01	1.10	0.09	0.27
- after dilution	1.25	1.15	-1.62	0.22	1.01	1.10	0.09	0.27
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0
- after dilution	295.0	295.0	295.0	295.0	300.7	303.8	303.8	303.8

Business areas

MSEK	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012
Net sales								
Construction	6,165	5,311	5,957	5,676	7,052	5,909	6,563	6,253
Civil Engineering	3,142	2,939	2,709	2,382	3,878	3,195	3,116	2,454
Industry	2,871	3,086	2,694	1,696	2,751	3,048	2,930	1,994
Project Development	2,141	1,360	1,195	1,025	1,986	1,280	1,299	1,117
- of which Property Development	313	87	103	105	101	87	81	61
- of which Housing Development	1,828	1,273	1,092	920	1,885	1,193	1,218	1,056
Group functions	138	94	94	93	26	25	30	28
Eliminations	-1,877	-2,171	-2,325	-1,662	-2,130	-2,518	-2,311	-1,978
Operative ¹⁾	12,580	10,619	10,324	9,210	13,563	10,939	11,627	9,868
Adjustment for housing reporting ²⁾	325	-105	45	97	330	440	43	30
Legal	12,905	10,514	10,369	9,307	13,893	11,379	11,670	9,898
Operating profit								
Construction	100	66	-807	102	-104	70	-328	96
Civil Engineering	113	102	125	31	162	124	116	38
Industry	226	305	177	-27	225	303	234	26
Project Development	153	61	26	7	123	11	104	68
- of which Property Development	51	-14	-21	-14	23	-28	23	24
- of which Housing Development	102	75	47	21	100	39	81	44
Group functions	-26	-19	-58	-50	-90	-25	-40	-77
Eliminations	-9	-1	-11	7	-17	5	-13	-7
Operative ¹⁾	557	514	-548	70	299	488	73	144
Adjustment for housing reporting ²⁾	6	-27	3	39	26	18	5	4
Legal	563	487	-545	109	325	506	78	148
Order situation								
Orders received	7,345	8,158	9,941	8,848	8,473	9,302	7,768	13,200
Order backlog at the end of the period	28,164	30,515	30,591	28,815	28,056	31,379	31,145	32,989

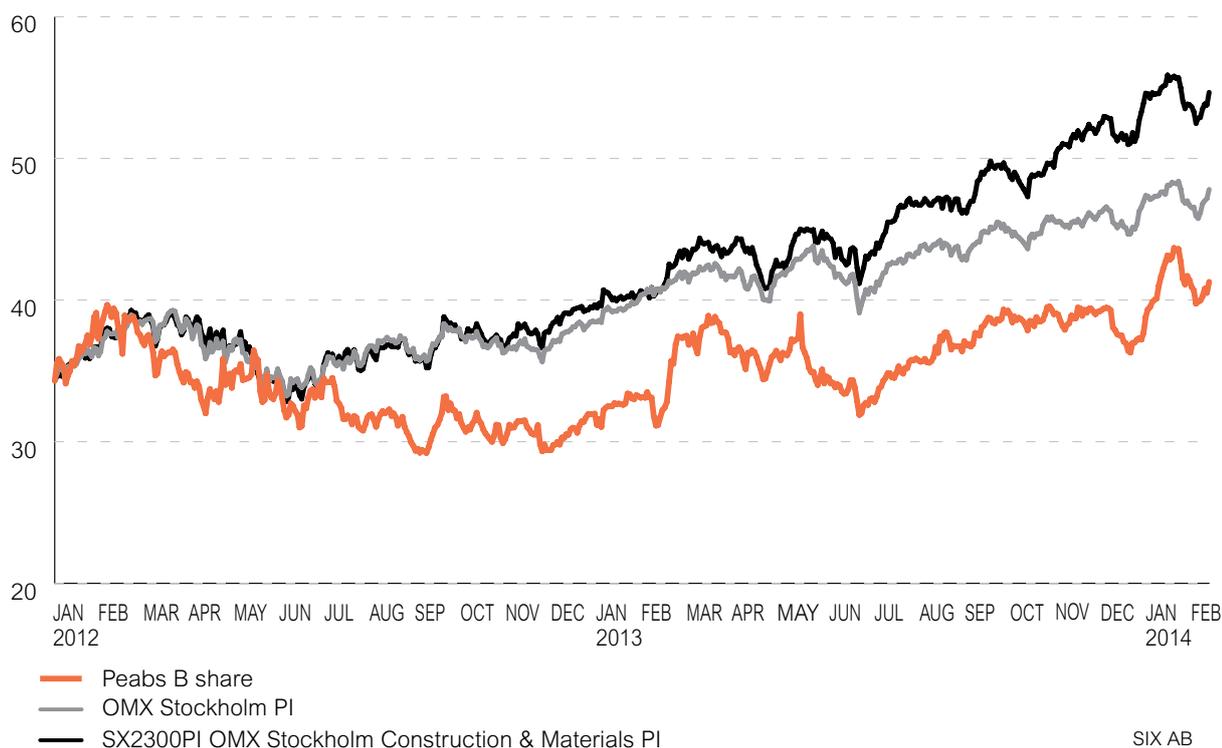
¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

List of shareholders 31 December 2013

Shareholder	A shares	B shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Mats Paulsson with companies	9,754,910	37,255,750	47,010,660	15.9	22.3
Karl-Axel Granlund with family and companies		18,402,000	18,402,000	6.2	3.0
Anita Paulsson with family and companies	4,277,811	6,013,905	10,291,716	3.5	8.1
Fredrik Paulsson with family and companies	4,277,810	6,002,154	10,279,964	3.5	8.1
Svante Paulsson with family and companies	7,824,715	1,350,705	9,175,420	3.1	13.2
Sara Karlsson with family and companies	7,881,948	863,299	8,745,247	3.0	13.2
Kamprad family foundation		8,581,236	8,581,236	2.9	1.4
Peab's profit sharing foundation		7,803,432	7,803,432	2.6	1.3
Folksam		6,750,000	6,750,000	2.3	1.1
Swedbank Robur Funds		6,281,839	6,281,839	2.1	1.0
Handelsbanken Funds		5,380,299	5,380,299	1.8	0.9
Danica Pension		3,762,640	3,762,640	1.3	0.6
Skandia Liv		3,761,997	3,761,997	1.3	0.6
Länsförsäkringar Funds		3,129,582	3,129,582	1.0	0.5
Foreign owners		39,674,870	39,674,870	13.4	6.5
Others	302,763	105,629,081	105,931,844	35.7	18.0
Number of outstanding shares	34,319,957	260,642,789	294,962,746		
Peab AB		1,086,984	1,086,984	0.4	0.2
Number of registered shares	34,319,957	261,729,773	296,049,730	100.0	100.0

Source: Euroclear Sweden AB





Peab is the Nordic Community Builder with approximately 13,000 employees and a net sales exceeding SEK 40 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. Group headquarters are located in Förslöv, Skåne in south of Sweden. The share is listed on NASDAQ OMX Stockholm.

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